



Department of Justice

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TEXAS MAN CHARGED WITH BID RIGGING ON SCHOOL MILK CONTRACTS

WASHINGTON, D.C. -- The Department of Justice announced today that a one-count felony information was filed against Joseph Montgomery of Burkburnett, Texas, for violations stemming from a fluid milk bid rigging conspiracy in public school districts in north central Texas.

Montgomery, sales manager for Preston Dairy Inc., in Burkburnett, Texas, is the first defendant ever charged in a federal criminal prosecution with milk bid rigging in Texas. Preston Dairy is one of several dairies supplying fluid milk to public school districts in Texas.

The information filed in U.S. District Court in Dallas charged that Montgomery violated the Sherman Act by conspiring with others from early 1985 until May 1991 to suppress and eliminate competition by rigging bids for the award and performance of contracts to supply fluid milk to public school districts in these Texas counties: Childress, Clay, Cooke, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise and Young.

James F. Rill, Assistant Attorney General in charge of the Antitrust Division, said the information resulted from a continuing grand jury investigation in Dallas of suspected bid rigging and market allocation in the Texas dairy industry.

(MORE)

The investigation is being conducted by the Antitrust Division's Dallas field office with the assistance of the U.S. Department of Agriculture's Office of Inspector General, southwest region.

The maximum penalty for an individual convicted under the Sherman Act is three years in prison and a fine of \$350,000, twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greater.

Including the information filed today, the Antitrust Division has filed 44 criminal cases against 21 corporations and 33 individuals involved in milk bid rigging conspiracies. Eighteen corporations and 26 individuals have been convicted and imposed fines total over \$20.6 million. Total civil damages are in excess of \$6.2 million. Twenty-one grand juries in 17 states continue to investigate the milk industry.

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